

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2004-305

May 18, 2004

SEARSPORT WATER DISTRICT
Application for Approval of Issues
of Securities (§902 & §1101) (\$79,500)

ORDER APPROVING
ISSUES OF SECURITIES

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

On May 4, 2004, Searsport Water District (the District) filed with the Commission its application for authority to enter into a Purchase and Sale Agreement with Raymond H. Webb and Lurline T. Webb as Trustees under the Raymond A. and Lurline T. Webb Living Trust for the purchase of watershed property. The agreement is for seller financing of the purchase price of \$79,500 with a payment term not to exceed five years at an interest rate not to exceed 2% with limited right of prepayment. In this Order, we approve the District's application.

The District requires these funds for the purchase of approximately 28.74 acres of land to be used for watershed protection. The land will be subject to a lease and agreement between the sellers and the District governing its use. Specifically, the agreements will allow limited gravel mining in select areas of the property. The District will also be required to pay reclamation costs of up to \$50,000. This agreement was in exchange for a lower purchase cost of the property. The agreement with the Trustees includes a Spill Prevention, Control and Countermeasures plan. We have reviewed the agreements and determined that they are reasonable and should provide sufficient protection to the water resources of the District.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the agreement are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. As is required under 35-A M.R.S.A. §1101, the District is also authorized to mortgage utility property as necessary to complete the transaction. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

ORDER

1. That the Searsport Water District is hereby authorized to enter into a Purchase and Sale Agreement with Raymond H. Webb and Lurline T. Webb as Trustees under the

Raymond A. and Lurline T. Webb Living Trust for the purchase of watershed property for \$79,500 with a payment term not to exceed five years at an interest rate not to exceed 2% with limited right of prepayment;

2. That the Searsport Water District is hereby authorized under 35-A M.R.S.A. §1101 to mortgage the property as required by the Purchase and Sale Agreement;
3. That the District report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the purchase of the watershed property; and
4. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 18th day of May, 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Welch
Diamond
Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.